IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of

BETHKE — Atty. Ref.: 263-4468

Serial No. 10/614,898 — Group: unknown

Filed: July 9, 2003 — Examiner: unknown

For: DOUBLE POSTCARD PRESSURE SEAL FORM CONSTRUCTION

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January 20, 2004

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

INFORMATION DISCLOSURE STATEMENT

Applicants wish to bring the Examiner's attention the attached Declaration of Inventor Darvin Bethke and the Declaration Exhibits identified therein. The Declaration and Exhibits are filed for the Examiner's consideration in the interest of full and complete disclosure of information which the Examiner may deem material or relevant to the examination of this application. It is believed that on review of the attached Declaration and Exhibits and on consideration of the relevant law (summarized below), the Examiner will conclude and agree that there has been no publication of the invention, no non-experimental use of the subject invention, and that the invention was not on sale or offered for sale more than one year before the filing date of this application. Applicant respectfully requests that the Examiner indicate on the record his consideration of the herewith Declaration and Exhibits.

CASE LAW SUMMARY – On Sale

In 1998, the Supreme Court established a new test for determining when an invention is "on sale" under 102(b), thus doing away with the previous "totality of the circumstances" test. *Pfaff v. Wells Electronics Inc.,* 52 U.S. 55, 48 USPQ2d 1641 (1998). The *Pfaff* test, which has been adopted by the lower courts, requires that for an on-sale bar to apply these two conditions must be met: (1) the product must be the subject of a commercial offer for sale and (2) the invention must be ready for patenting. 48 USPQ2d at 1646-47. The second condition can be satisfied "by proof of reduction to practice before the critical date; or by proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention." 48 USPQ2d at 1647.

Pfaff is silent on (1) what activities constitute a "commercial offer for sale" and (2) what law should apply in making this determination. Interpreting and applying the *Pfaff* test, the Federal Circuit has attempted to answer these two questions.

To advance a uniform national rule for an on-sale bar, the Federal Circuit has stated that applying individual state contract law to determine whether an invention was the subject of a commercial offer for sale is the incorrect approach. *Group One Ltd. v. Hallmark Cards Inc.,* 59 USPQ2d 1121, 1126 (Fed. Cir. 2001). Rather, the federal common law of contracts as generally understood is the proper analysis. *Id.* To make this analysis, the Federal Circuit "will look to the Uniform Commercial Code to define whether...a communication or series of communications rises to the level of a commercial offer for sale." *Id.* The Restatement of Contracts is also a source the Federal Circuit will look to as guidance. *Id.*

An "offer", as defined by common law, is "the manifestation of willingness to enter into a bargain, so made as to justify another person in understanding that his

assent to that bargain is invited and will conclude it." *Linear Tech. Corp. v. Micrel Inc.,* 61 USPQ2d 1225, 1231 (Fed. Cir. 2001) (quoting Restatement (Second) of Contracts §24 (1981)). A valid offer requires intent by the offeror to be bound. *Id.* Further, any manifestation of willingness to enter into a bargain cannot constitute an offer if the "offeree" knows or has reason to know that the "offeror" does not intend to conclude a bargain until he makes a further manifestation of assent. *Id.* at 1231, 1233. It is the parties' objective, expressed intent that controls, not their secret subjective intent. *Id.* at 1233. Thus, it appears that an intent to accept an alleged offer must be objectively communicated to the offeror. *Id.* at 1233, 1234.

"The offer must meet the level of an offer for sale in the contract sense, one that would be understood as such in the commercial community." *Group One Ltd. v. Hallmark Cards Inc.,* 59 USPQ2d 1121, 1125 (Fed. Cir. 2001). "Only an offer which rises to the level of a commercial offer for sale, one which the other party could make into a binding contract by simple acceptance (assuming consideration), constitutes an offer for sale under §102(b)." *Id.* at 1126.

Notably, the determination should involve a close look at the language of the communication(s). *Group One*, 59 USPQ2d at 1126. "Language suggesting a legal offer, such as "I offer" or "I promise" can be contrasted with language suggesting more preliminary negotiations, such as "I quote" or "are you interested". Differing phrases are evidence of differing intent, but no one phrase is necessarily controlling." *Id.* (Emphasis added).

Merely sending samples, without providing any other terms, to various companies will not trigger the on-sale bar. *3M v. Chemque Inc.,* 64 USPQ2d 1270, 1279 (Fed. Cir. 2002).

Mere advertising and promoting of a product may be no more than an invitation for offers. *Group One*, 59 USPQ2d at 1126. Such activity is generally found to be an

invitation to negotiate, rather than an offer. *Jeneric/Pentron, Inc. v. Dillon Co.,* 171 F.Supp.2d 49, 67-68 (D. Conn. 2001) (finding no on-sale bar because the communications alleged to constitute the bar did not evidence a firm offer to sell – none of the communications contained quantity terms, price quotations or delivery terms). Similarly, a quotation by itself is often determined to be an invitation to negotiate and not an offer. *Id.* at 68. See also, *Group One*, 59 USPQ2d at 1126; *MLMC, Ltd. v. Airtouch Communications, Inc.,* 215 F.Supp.2d 464, 477 (D. Del. 2002) (price quotes generally not offers because they leave many terms necessary to a contract unexpressed; but if the quote is in response to a specific request for an offer and contains language of commitment, or comes after prolonged negotiations, and contains detailed terms, it may be an offer). And see *3M v. Chemque Inc.,* 64 USPQ2d 1270, 1279 (Fed. Cir. 2002) (suggesting that if price quotes had been sent to customers, that activity coupled with the sending of samples might constitute an on-sale bar).

Similarly, in *D&K Int'l, Inc. v. General Binding Corp.*, 104 F.Supp.2d 958, 959-60 (N.D. Ill. 2000), the purported evidence of the invention being on-sale amounted to an internal memorandum summarizing a meeting between defendant's vice president of marketing and one of its customers at which pricing was kicked around generally and sample sheets and books made by customer with defendant's lay flat film product were given to defendant for further evaluation. The Illinois court found that the meeting events, as memorialized in the internal memorandum, did not evidence a commercial offer for sale. The court found, rather, that defendant merely broached the subject of pricing and that there was no intent by either side to enter into a commercial sales agreement, and that outside of a sales price, there was no evidence that the parties to the meeting discussed quantity, delivery date, or shipment or payment terms. The court further found that the delivery of the sample sheets and books to defendant for further evaluation indicated that the film was given to the customer for testing purposes. Similarly, in *MLMC, Ltd. v. Airtouch Communications, Inc.,* 215 F.Supp.2d

464 (D. Del. 2002), budgetary quotations that included prices, quantities and very brief equipment descriptions were not commercial offers for sale. The bases for this finding was the testimony that the company providing the quotations never intended them to operate as offers to which they could be contractually bound but were merely ballpark figures/estimates (which was supported by the context in which the quotes occurred), the fact that the quotes were missing other terms typically included in a commercial contract such as delivery dates and payment terms, that lack of evidence that language such as "I offer" was used in conjunction with the quotes, and the absence of testimony or evidence that recipients of the quotes reasonably believed that the quote was intended as a binding offer. 215 F.Supp.2d at 480.

No publication by the submission for approval to the US Postal Service

Representatives of the undersigned conferred with U.S. Postal Service (USPS) personnel and were advised that if an item is submitted for analysis and approval, it would not be available to the public to view (i.e., members of the public can not just come in and view it). If the company that provided the mail piece requested its return upon completion of the analysis, then the piece would be returned. Otherwise, it was the practice of the individual contacted not to store the samples submitted. It is unclear if there is a specific policy, absent a request by the provider for return, to destroy samples once the analysis has been concluded. Furthermore, while there is no procedure in place to assure that an item is kept confidential, the only way that a member of the public would be able to examine an item submitted for analysis or gain information about analyses performed would be through a Freedom of Information Act (FOIA) request.

If the Examiner has any questions, he is invited to contact the undersigned at the telephone number noted below for a telephone interview in this regard and/or to schedule a personal interview.

Respectfully submitted,

NIXON & VANDERHYE P.C.

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